



PROPOSITION M

Independent Citizens' Oversight Committee



**2013 - 2014
ANNUAL REPORT**

Dear Community Member:

It is with pleasure that I present the 2013-2014 Prop M Annual Report. This Annual Report is available to District residents, in fulfillment of the role of the ICOC, as specified by law, and to provide a report on the investment activities accomplished this past 12 months.

On November 7, 2006, the Palomar College District voters approved a \$694 million facilities bond measure (Proposition M) under the rules established by Prop 39. This measure supports the District's Master Plan 2022, which was published in August 2003.

An independent citizens' oversight committee (ICOC) was established on September 6, 2006, under the rules of Prop 39. The ICOC is responsible for reviewing expenditures to ensure that bond proceeds are spent only for the purposes set forth in Proposition M. The Committee reports that, to the best of its knowledge, Palomar Community College District is in full compliance with the responsibilities as described in Article XIII A of the California State Constitution.

With this report, the ICOC members assure the community that Proposition M bond expenditures have been issued properly, and only for projects identified in the bond measure and that no measures or monies were used unlawfully for faculty and administration salaries or other operating expenses.

We thank you, the members of the District, for your continued support and confidence in Palomar College and the vision it has for the future of education.

*Sincerely,
Thomas Clark, Chair
Independent Citizens' Oversight Committee*

2013-2014 COMMITTEE MEMBERS

Thomas Clark, *Chair*

Member of the Community at Large

Terry L. Ardinger,

Member of the Community at Large

Jesse Lyn Clark, *Co-Chair*

Palomar College Foundation

Rod Jones

Local Business Organization

Glen Winn

Senior Citizen Org./Escondido Senior Citizen's Counsel

GOVERNING BOARD

Nancy C. Chadwick, M.S.W., M.P.A., *President*

Paul P. McNamara, B.A., *Vice President*

Mark Evilsizer, M.A., *Secretary*

Nancy Ann Hensch, B.A., *Trustee*

John J. Halcon, Ph.D., *Trustee*

Jennifer Gonzalez, *Student Trustee*

SUPERINTENDENT/PRESIDENT

Robert P. Deegan



Escondido Education Center Renovation Grand Opening

From left, Palomar College Superintendent/President Robert P. Deegan, Governing Board Trustee John Halcón, Student Trustee and President of the Associated Student Government Jennifer Gonzalez, Governing Board President Nancy Chadwick, Governing Board Vice President Paul McNamara and Governing Board Trustee Mark Evilsizer.



PALOMAR COLLEGE MISSION

Our mission is to provide an engaging teaching and learning environment for students of diverse origins, experiences, needs, abilities, and goals. As a comprehensive college, we support and encourage students who are pursuing transfer-readiness, general education, basic skills, career and technical training, aesthetic and cultural enrichment, and lifelong education. We are committed to promoting the learning outcomes necessary for our students to contribute as individuals and global citizens living responsibly, effectively, and creatively in an interdependent and changing world.

VISION

Learning for Success

ABOUT THE DISTRICT

Palomar College has been providing quality education to its district's residents for nearly 70 years. Our San Marcos campus is supplemented by an educational center in Escondido, as well as four additional sites located throughout inland North San Diego County. Palomar College offers over 250 associate and certificate programs and serves more than 26,000 students each semester.





ABOUT PROPOSITION M

On November 7, 2006, voters in the District's service area approved Proposition M, a \$694 million facilities bond measure, enabling the District to:

- Upgrade nursing and emergency medical career training labs
- Modernize outdated science, computer and job training labs/equipment
- Upgrade electrical and technology infrastructure
- Repair/replace deteriorated roofs, plumbing, lighting, heating and ventilation systems
- Improve energy efficiency
- Modernize/replace outdated classrooms and student support facilities
- Complete safety upgrades to College buildings and grounds

The Independent Citizens' Oversight Committee monitors the expenditure of funds from the Proposition M General Obligation Bond to ensure that bond revenues are expended only for the purposes described and that no bond funds are used for any faculty or administrative salaries or other operating expenses. Proposition M was authorized pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, and subdivision (b) of Section 18 of Article XVI of the California Constitution in accordance with the requirements of the Strict Accountability in Local School Construction Bond Act of 2000 (Prop 39).

COMMITTEE ACTIVITY SUMMARY

The Independent Citizens' Oversight Committee was initially appointed by the Palomar College Governing Board on May 8, 2007. The Committee met four times in fiscal year 2013-2014. Proceedings of these meetings have included:

- Reviewing bylaws and roles and responsibilities of ICOC with the bond attorney;
- Updating of ICOC website -- <http://www.palomar.edu/propm/icoc/>;
- Developing the 2013-2014 Annual Report;
- Reviewing staff financial reports; and
- Reviewing construction projects.

COMMITTEE MEETINGS

The Independent Citizens' Oversight Committee meets on a quarterly basis. All meetings are open to the public.

Agendas and meeting minutes from all committee meetings are available on the ICOC website at www.palomar/propm/icoc. All meetings are held on the San Marcos campus unless noted differently on the ICOC website.

Meetings held or scheduled during the 2013-2014 and the 2014-2015 fiscal years include:

HELD

- September 6, 2013
- December 6, 2013
- March 7, 2014
- June 6, 2014

SCHEDULED

- September 5, 2014
- December 5, 2014
- March 6, 2015
- June 5, 2015

SERIES A BOND ISSUANCE

In May 2007, the Palomar Community College District issued Series A bonds in the amount of \$160 million. The bonds were sold with a qualified tax opinion and investors were restricted to approved institutional buyers.

SERIES B BOND ISSUANCE

In November 2010, the Palomar Community College District issued Series B bonds in the amount of \$175 million. The bonds consisted of \$83.5 million in federally taxable Build America Bonds and \$91.5 million in tax-exempt General Obligation Bonds.

REVIEW OF EXPENDITURES

The firm of Christy White Associates, Certified Public Accountants conducted the Financial and Performance Audit for proceeds and use of general obligation bonds for the fiscal year ending June 30, 2014, as required by Proposition 39. The results of the procedure indicated that expenditures were made for authorized bond projects. The finding of no discrepancies validates the success of internal controls established by the Palomar College Finance and Administrative Services area and implemented by staff.

To view the complete independent accountant's report, please visit www.palomar.edu/fiscal_services/LeftNav/Reports.html

Teaching & Learning

TLC



PROPOSITION M PROGRAM ACTIVITIES

- Completed construction and opened renovated Escondido Education Center.
- Completed construction and opened Teaching & Learning Center in San Marcos.
- Continued construction on the Humanities Building.
- Began construction on the new Baseball Field project.
- Began construction on the Early Childhood Education Lab School.
- Completed design and approval of plans for the Learning Resource Center.

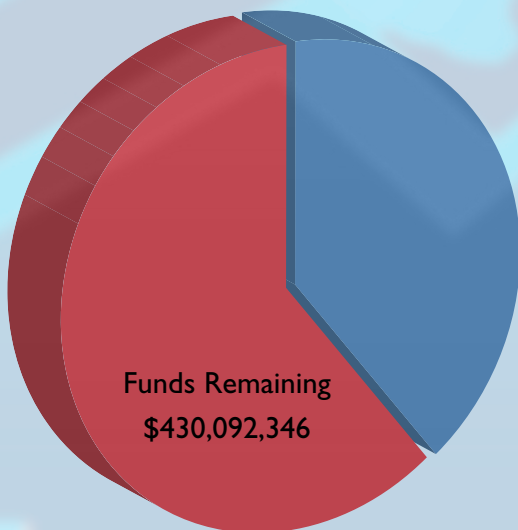
LEVERAGING OF THIS INVESTMENT

- Incorporated a complete Photovoltaic Electrical system in the design for the Learning Resource Center.
- Continued participation in the San Diego Gas & Electric “Savings By Design” program for energy efficiency.
- Continued to implement LEED standards on all buildings through sustainable design.
- Recycling and sale of materials no longer usable to the District.

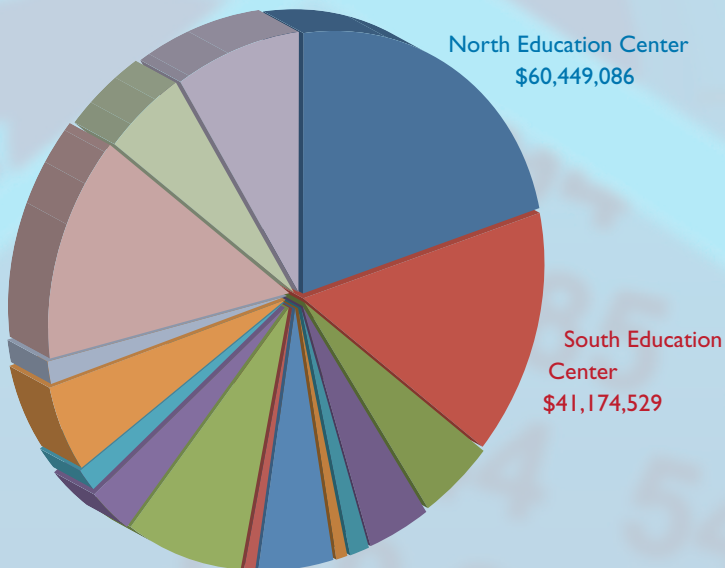


Breakdown of Bond Expenditures through June 30, 2014

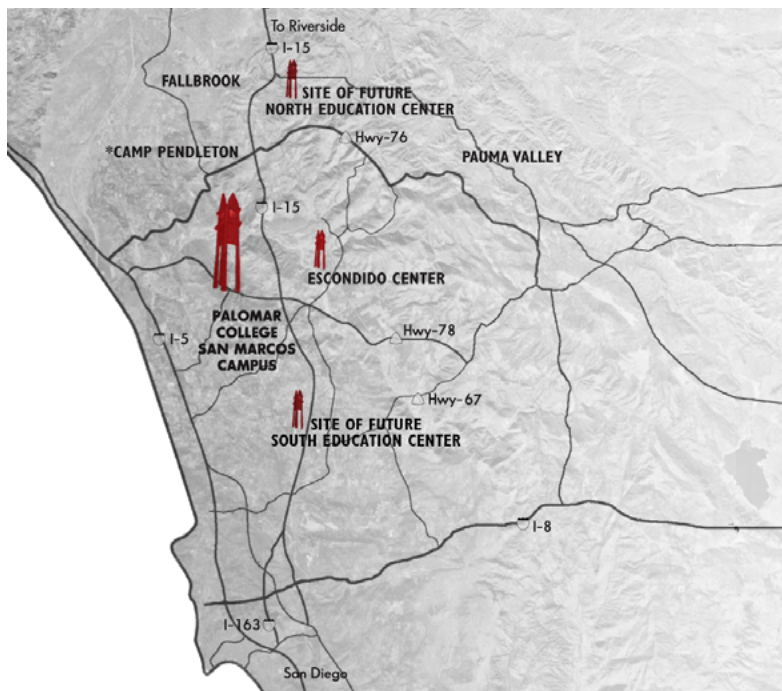
Total Bond monies available,
including interest through 6/30/14
\$707,575,995



Total Bond expenditures
through 6/30/14
\$277,483,649



IS Technology Projects \$13,235,215
Health Sciences Building \$11,156,531
Natural Science Building \$3,532,258
Parking Improvement Projects \$2,052,333
IT Building \$13,829,425
San Marcos CEQA/EIR Study \$2,081,879
Theatre Addition & Remodel \$22,674,305
Multimedia Lab & Planetarium \$8,705,554
Multidisciplinary Instructional Building \$4,245,706
Escondido Center Improvements \$15,584,897
San Marcos TLC \$3,970,956
Humanities \$37,656,810
T Building \$14,463,391
Other Costs \$22,670,774



PALOMAR COLLEGE

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